The Fed will hike rates by 0.25% at its March meeting; here’s why

First, the good news: The economy is doing so well that the Federal Reserve will increase the cost of money by 0.25 percent on March 15, up to the 0.75 percent-1.00 percent range.All Fed officials have been on the same page, rare unanimity. Two speeches show the way Chair Janet Yellen’s speech this morning iced the deal and is a splendid review of Fed policy in the last few years. Yellen stuck to “scaling back” accommodation, not “tightening” -- as she will until the next recession, unless forced by an inflation outbreak to speak overtly of tightening.For now, the Fed is just taking away the punch bowl, not closing the party.Fed Governor Lael Brainerd on Wednesday gave a more aggressive and useful speech.In any pre-tightening moment, the telltale speakers are doves converting to hawks. Brainard has been a dove for one special reason: She has been most attuned to conditions overseas and weakness there as the main reason for the Fed to be cautious.On We...

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